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unearned increments in land values shall go, entirely or in part, to the community. On the latter point the author says, "In unearned increments, both urban and rural, there is a source of revenue which will grow with every development of agriculture, industry, and commerce. To take advantage of it would discourage no industry, and rob no individual, but would in time sensibly lessen the burden of taxation on the community at large."

One cannot read this volume without feeling convinced that the author's conclusions, from the facts presented, are absolutely sound. It is undoubtedly one of the most valuable contributions yet produced looking to the solution of the problem of social poverty.

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Standards of Reasonableness in Local Freight Discriminations. By JOHN MAURICE CLARK. Columbia University Studies in History, Economics and Public Law, No. 97, Vol. XXXVII, No. 1. (New York: Columbia University Press, 1910. Pp. 155. \$1.25.)

This monograph deals with the general subject of reasonableness in railway rates, with special reference to the adjustment of rates between places. The first five chapters cover a wide range of subjects: the conditions of cost in the railway business; the tendency of railway competition to produce discriminations; the competition of markets and its effect on rates; the "value of service" principle; the arguments of various writers who contend that railway managers should be given a free hand in rate-making; the relation of private and public interests; and the influence of railway rates upon protective tariff systems. Throughout the discussion of all these subjects, however, the author's underlying purpose, as stated at the beginning of Chapter 6, is to show that the free workings of economic forces furnish no guaranty of reasonableness in rates. He then asks whether a reasonable system can be devised. As a preliminary to his answer he discusses the general level of changes, and argues that, for the most part, it is unwise to sell transportation as a whole below cost. In the

next chapter he considers the idea of a "natural" or "ideal" system of rates based on the comparative cost standard,—a standard according to which railway changes would be so adjusted as to secure each market to those producers who could supply its wants at the lowest social expense. His conclusion is that while such a system would be impracticable, nevertheless the principle of comparative cost is "at the basis of relative reasonableness as between localities." Consideration is next given to a selected list of rate cases decided by the Interstate Commerce Commission and the courts, after which attention is directed to systems of rates based on mathematical formulae,—flat rates, zone rates, and tapering rates, the last being most fully discussed. The concluding chapter describes briefly the distance tariff of the Wisconsin Commission, based on a rough approximation to cost.

In this work the author does not undertake to defend a thesis, nor does he aim to develop any new or striking conclusions. His purpose is to bring together, within a small compass, a large number of ideas as to reasonableness in rate-making, and to subject them to systematic arrangement and precise statement. The value of the work has been somewhat diminished by the author's lack of a point of view, and by a certain narrowness in his conception of the problem before him,—a narrowness indicated by his remark in the opening paragraph, that "the whole problem of rate regulation may be expressed as the task of defining accurately and workably the single phrase: reasonable charges and services."

It is to be regretted that the author has seen fit to use the term "comparative cost." In addition to the traditional use of that term in the theory of international trade a new meaning has recently been given it in tariff discussions. To employ it in a third sense, therefore, in connection with railways, is another instance of the unfortunate tendency of economists to attach the same label to different concepts.

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